

REQUEST FOR BOARD ACTION

HENDERSON COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: 20 July 2016

SUBJECT: Final Approval of Terms and Documents for Henderson
County Hospital Corporation Revenue Bond Financing

PRESENTER: Charles Russell Burrell; J. Carey McLelland

ATTACHMENT(S): Proposed resolution

SUMMARY OF REQUEST:

On June 6, 2016, this Board approved application to the Local Government Commission by Henderson County Hospital Corporation for approval of Hospital Revenue Bonds.

You are now asked to issue the Bond Order, approving the final issuance of the Bonds.

County staff will be present and prepared if requested to give further information on this matter.

BOARD ACTION REQUESTED:

Approve the attached resolution, and form of the documents to be used.

If the Board is so inclined, the following motion is suggested:

I move that the Board approve the Bond Order shown attached, and approve in substance the form of the Third Supplemental Trust Indenture.

EXTRACTS FROM MINUTES OF BOARD OF COMMISSIONERS

On July 20, 2016, the Board of Commissioners (the “*Board*”) of the County of Henderson, North Carolina (the “*County*”) held a regular meeting in the Commissioners’ Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. The following Commissioners were:

Present:

Absent:

The Chairman of the Board introduced the following bond order, the title of which was read and copies of which had been previously distributed to the Board:

BOND ORDER AUTHORIZING THE ISSUANCE AND SALE BY THE COUNTY OF HENDERSON, NORTH CAROLINA OF NOT TO EXCEED \$17,000,000 HOSPITAL REVENUE BONDS (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT), SERIES 2016 OF THE COUNTY AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

BE IT ORDERED by the Board of Commissioners (the “*Board*”) of the County of Henderson, North Carolina (the “*County*”):

Section 1. The Board does hereby find and determine as follows:

(a) The filing of an application with the North Carolina Local Government Commission (the “*Commission*”) requesting approval of the issuance of its \$17,000,000 County of Henderson, North Carolina Hospital Revenue Bonds (Margaret R. Pardee Memorial Hospital Project), Series 2016 (the “*2016 Bonds*”), in one or more series, for the purpose of providing funds relating to the financing by the Margaret R. Pardee Hospital and Henderson County Hospital Corporation of capital expenditures in connection with (1) various parking improvements for the Hospital’s Comprehensive Cancer Center, (2) the acquisition of a 30% ownership interest in the limited liability company that owns the Phase 3 Facility located on the Mission Pardee Health Campus, (3) the upfitting and equipping of the Hospital’s Comprehensive Cancer Center, (4) the acquisition of land and improvements thereto to accommodate construction of a strategic ambulatory clinic and (5) various improvements to the Hospital’s ambulatory services (collectively, the “*Projects*”), all for use by the Hospital.

(b) The County, by resolution, also requested the Commission to sell the 2016 Bonds at private sale without advertisement.

(c) The Commission has been requested to approve the application of the County for the issuance of the 2016 Bonds in an aggregate principal amount not to exceed \$17,000,000 in accordance with N.C.G.S. 159-86.

(d) The County has determined to issue the 2016 Bonds in an aggregate principal amount not to exceed \$17,000,000 for the purpose of providing funds, together with other available funds, to (1) pay, and to reimburse for amounts previously paid for, the cost of capital expenditures relating to the Projects and (2) pay the costs of issuing the 2016 Bonds.

(e) The County proposes to sell the 2016 Bonds to First-Citizens Bank & Trust Company (the “*Purchaser*”).

(f) There have been presented to the County at this meeting copies of the following documents relating to the issuance and sale of the 2016 Bonds:

(1) Master Trust Indenture dated as of September 1, 2001 (the “*Master Indenture*”) between the County and First-Citizens Bank & Trust Company, the successor to which is U.S. Bank National Association, as trustee (the “*Trustee*”); and

(2) A draft of the Sixth Supplemental Trust Indenture to be dated as of July 1, 2016 between the County and the Trustee (the “*Sixth Supplemental Indenture*”).

(g) The County has determined that the issuance and sale of the 2016 Bonds in the manner provided in this Bond Order is in the best interests of the County.

Section 2. Capitalized words and terms used in this Bond Order and not defined herein have the same meanings given such words and terms in the Master Indenture and the Sixth Supplemental Indenture.

Section 3. Pursuant to the provisions of The State and Local Government Revenue Bond Act, as amended (the “*Act*”), particularly N.C.G.S. 159-88, the County hereby authorizes the issuance of the 2016 Bonds in an aggregate principal amount not to exceed \$17,000,000. The 2016 Bonds will be issued as a fixed-rate, fully registered bonds maturing in annual installments at such times and in such amounts as set forth in the Sixth Supplemental Indenture, subject to the provisions of this Bond Order and the Master Indenture.

Section 4. The 2016 Bonds are subject to optional redemption at the times, on the terms and conditions, and at the prices as set forth in the Sixth Supplemental Indenture.

Section 5. The proceeds of the 2016 Bonds will be applied as provided in the Sixth Supplemental Indenture.

Section 6. The 2016 Bonds, together with any additional Bonds hereafter issued under the Master Indenture, are secured on a parity basis by a pledge, charge and lien on the Net Revenues of the Hospital System to the extent set forth in the Master Indenture. The 2016 Bonds are additionally secured by a pledge, charge and lien on the funds in the Bond Fund to the extent set forth in the Sixth Supplemental Indenture.

Section 7. The form, terms and conditions of the Sixth Supplemental Indenture are hereby approved, and the Chairman and Vice Chairman of the Board are hereby authorized to execute and directed to deliver, or cause to be delivered, the Sixth Supplemental Indenture together with such changes, additions and deletions as the Chairman and Vice Chairman of the Board, with the advice of counsel, may deem necessary and appropriate, including, without limitation, changes, additions and deletions necessary to incorporate the final terms of the 2016 Bonds as set forth in the Sixth Supplemental Indenture, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof and the Clerk or the Deputy Clerk are hereby authorized to attest to the same.

Section 8. The Chairman and Vice Chairman of the Board and the County Manager and the Finance Director of the County, or any of them or their deputies, are authorized and directed without

limitation except as may be expressly set forth in this Bond Order to take such action and to execute and deliver such certificates, agreements, instruments, opinions or other documents as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by this Bond Order, the Master Indenture and the Sixth Supplemental Indenture.

The officers of the County and the agents and employees of the County are hereby authorized and directed to do all acts and things required of them by the provisions of this Bond Order, the 2016 Bonds, the Master Indenture and the Sixth Supplemental Indenture for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same.

Section 9. The issuance and private sale without advertisement of the 2016 Bonds are hereby approved, subject to the terms and conditions set forth in this Bond Order.

Section 10. This Bond Order is effective immediately on its passage.

On motion of Commissioner _____, seconded by Commissioner _____, the foregoing Bond Order entitled **“BOND ORDER AUTHORIZING THE ISSUANCE AND SALE BY THE COUNTY OF HENDERSON, NORTH CAROLINA OF NOT TO EXCEED \$17,000,000 HOSPITAL REVENUE BONDS (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT), SERIES 2016 OF THE COUNTY AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH”** was passed by the following vote:

AYES:

NAYS:

ABSTAIN:

Adopted this the 20th day of July, 2016.

HENDERSON COUNTY BOARD OF COMMISSIONERS

[SEAL]

By: _____
Chairman

ATTESTED BY:

Clerk to the Board